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COMMONWEALTH OF VIRGINIA

STATE CORPORATION COMMISSION

AT RICHMOND, DECEMBER 14, 1999

APPLICATION OF

Prism Virginia Operations, LLC

CASE NO. PUC980142

For certificates of public convenience and necessity to provide local exchange and interexchange telecommunications services

FINAL ORDER

On August 31, 1999, Prism Virginia Operations, LLC ("Prism", "Applicant" or "Company"), formerly known as Transwire Virginia Operations, LLC, completed an application for certificates of public convenience and necessity ("certificate") to provide local exchange and interexchange telecommunications services throughout the Commonwealth of Virginia. The Applicant also requested authority to price its interexchange services on a competitive basis pursuant to § 56-481.1 of the Code of Virginia.

By Order dated September 17, 1999, the Commission directed the Applicant to provide notice to the public of its application, directed the Commission Staff to conduct an investigation and file a report, and scheduled a public hearing to receive evidence relevant to Prism's application.

On November 10, 1999, Staff filed its report finding that Prism's application was in compliance with the Rules Governing the Offering of Competitive Local Exchange Telephone Service, 20 VAC 5-400-180 ("Local Rules") and the Rules Governing the Certification of Interexchange Carriers, 20 VAC 5-400-60 ("IXC Rules"). Staff indicated that Prism has agreed to meet all applicable conditions for certification identified in § C of the Local Rules. Prism is requesting statewide authority in its application and the Company, pursuant to § E(iii) of the IXC Rules, has provided information regarding its owned or leased facilities located in Virginia.

Ultimately, the Staff found the Company's application acceptable and in compliance with the certification requirements of both the Local and IXC Rules. The Staff Report reflected the Staff's belief that it is appropriate to grant a certificate to Prism for interexchange telecommunications services and a certificate for local exchange telecommunications services, subject to the following conditions: any customer deposits collected by the Company shall be retained in an unaffiliated third-party escrow account until such time as the Staff or Commission determines it is no longer necessary; and the Company shall provide audited financial statements of its parent, Prism Communication Services, Inc. ("PCSI"), to the Staff no later

than one (1) year from the effective date of Prism's initial tariff.

On November 15, 1999, Prism filed proof of service and proof of publication of newspaper notice, as directed by the Commission's September 17, 1999, Order.

A hearing was conducted on November 24, 1999. At the hearing, the proof of service, proof of notice, the application and accompanying attachments, and the Staff Report were entered into the record without objection. Applicant agreed to the conditions included in the Staff report.

Having considered the application and the Staff Report, the Commission finds that Prism's application should be granted. We also find that Prism should comply with the above recommendations of Staff. Accordingly,

IT IS ORDERED THAT:

- (1) Prism hereby is granted a certificate of public convenience and necessity, No. TT-81A, to provide interexchange telecommunications services subject to the restrictions set forth in the Rules Governing the Certification of Interexchange Carriers, § 56-265.4:4 of the Code of Virginia, and the provisions of this Order.
- (2) Prism is granted a certificate of public convenience and necessity, No. T-468, to provide local exchange telecommunications services subject to the restrictions set

forth in the Rules Governing the Offering of Competitive Local Exchange Telephone Service, § 56-265.4:4 of the Code of Virginia, and the provisions of this Order.

- (3) Prism is granted authority to price its interexchange services on a competitive basis pursuant to § 56-481.1 of the Code of Virginia.
- (4) Prism shall provide tariffs to the Division of Communications which conform with all applicable Commission rules and regulations.
- (5) The Commission requires that the granting of the certificates to Prism be conditioned upon Prism complying with the following recommendations of Staff: (a) any customer deposits collected by the Company shall be retained in an unaffiliated third-party escrow account until such time as the Staff or Commission determines it is no longer necessary; and (b) the Company shall provide audited financial statements of PCSI to the Division of Economics and Finance no later than one (1) year from the effective date of Prism's initial tariff.
- (6) Since there is nothing further to come before the Commission, this case shall be dismissed and the papers herein be placed in the file for ended causes.